



# City of Palm Springs

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## Department of Vacation Rental Compliance

(Reference Ordinance No. 1918/Palm Springs Municipal Code 5.25, Vacation Rentals)

### ***FREQUENTLY ASKED QUESTIONS – SHORT TERM VACATION RENTALS***

#### **Questions frequently asked by Real Estate Agents:**

**1. What is a short term Vacation Rental?**

In the City of Palm Springs, a short term Vacation Rental means a property (single family dwelling or condominium) that is rented for a period of twenty-eight (28) consecutive days or less and the Owner is not present. The City's regulatory program for Vacation Rentals is intended to minimize adverse effects of vacation rental uses on surrounding residential neighborhoods and help ensure that guests are good neighbors. Vacation Rentals are ancillary and secondary uses of a residential property.

A Homeshare is a type of short term rental where the Owner is present during each guest stay.

**2. Can an Owner own more than one Vacation Rental or Homeshare property?**

Applications are no longer accepted on additional Vacation Rental or Homeshare properties; an Owner may only be issued, and can only maintain, one Registration Certificate at any time. (Note: multiple Registration Certificates, if issued prior to January 10, 2017, remain valid.) No person may have a financial, legal or beneficial interest in more than one Vacation Rental/Homeshare property. The VRCD will verify ownership with every application.

**3. Can a business apply for a Vacation Rental or Homeshare Registration Certificate?**

Applications are no longer accepted from a Business Entity to register as a Vacation Rental or Homeshare property. Business Entity means a corporation, partnership or other legal entity that is not a natural person, or a personal or family trust or a limited liability company consisting solely of natural persons. (Note: Business Entities with current Registration Certificates must transfer each Vacation Rental/Homeshare to a natural person, LLC or Trust or cease to operate the property as a Vacation Rental/Homeshare.)

**4. What if a Vacation Rental or Home-share property has more than 4 bedrooms, is it an Estate Home?**

An Estate Home means a rental with 5 or more bedrooms. There is a separate Addendum and other specific requirements when applying as an Estate Home that an Owner must complete; and a one-time fee of \$136 is required to obtain the required Land Use Permit. Registration Certificates will only be issued to an Estate Home for use of 5 or 6 bedrooms, regardless of a greater number of bedrooms existing at a home or the number of bedrooms and Owner intends to rent.

**5. Can properties located within a homeowner's association register as a Vacation Rental or Homeshare?**

Yes, but only if the Owner or Owner's Agent provides a letter from the HOA Board of Directors or the Property Management Company (please do not provide copies of the CC&Rs), when applying for or renewing a Registration Certificate, that states operating a Vacation Rental or Homeshare does not violate the CC&Rs.

**6. Can I register an Apartment as a Vacation Rental or Homeshare?**

To help preserve affordable housing stock in the City, an Apartment or any portion thereof, may no longer be issued a Registration Certificate. (Note: if the Certificate was issued prior to April 15, 2016, it may continue to operate only through January 1, 2019.) An Apartment is defined as a) a residential unit in a multi-family development of 2 dwelling units where both dwelling units are rented or leased for occupancy as a residence for individual families, and b) a residential unit in a multi-family development of 3 or more dwelling units.

**7. What is recommended for potential home owners that are considering applying for and operating a Vacation Rental or Homeshare Registration Certificate?**

A thorough review and understanding of Ordinance 1918 is critical. This Ordinance includes, among other important items, an annual registration certificate, payment of Transient Occupancy Tax, operating requirements and penalties/fines for non-compliance. There are FAQs on our website for Owners and Agents that will be helpful. If they have any questions, please have them contact the Vacation Rental Compliance Department.

Additionally, please remind Owners that the Ordinance clearly states that an Owner may not advertise or operate without a Registration Certificate. There are strict Administrative Fines, fees, penalties and interest for doing so.

**8. Are there insurance requirements?**

Yes, an owner must carry a short term rental insurance policy or personal liability policy during the complete term of the Registration Certificate with a minimum limit of \$500,000 per occurrence. It is not required that the City of Palm Springs be an additional insured party on the policy. Evidence of insurance will be required at time of application and renewal.

**10. What is the building, fire and safety inspection?**

The VRCD will schedule and conduct an annual visual inspection at the Vacation Rental or Homeshare property at time of application or renewal. The Owner/Agent or a representative must be at the property during the inspection. The Safety Inspection Checklist is on our website.

Also Required - Certification by a licensed electrician regarding the operability of GFI and safety of any pool and spa; this form is included on our website. It is the responsibility of the Owner/Agent to obtain the electrician’s signature on this form and provide it at time of application and renewal. If the property is located in an HOA and the HOA is responsible for the pool and spa, the owner will state on the application or renewal that this is the case.

**11. Are there limits associated with a Vacation Rental/Homeshare?**

Yes, occupancy, parking and the annual number of guest stays/contracts are limited.

**a. The occupancy limits are below.**

<b>Number of Bedrooms</b>	<b>Total of Overnight Occupants</b>	<b>Total Daytime Occupants</b>
<b>1</b>	<b>2</b>	<b>6</b>
<b>2</b>	<b>4</b>	<b>8</b>
<b>3</b>	<b>6</b>	<b>10</b>
<b>4</b>	<b>8</b>	<b>12</b>
<b>5*</b>	<b>10</b>	<b>14</b>
<b>6*</b>	<b>12</b>	<b>16</b>

**\*Estate Home**

**\*\* Overnight occupancy also allows for two (2) minors age twelve (12) and under.**

**b. The parking limits are below.**

One car per bedroom is permitted anytime of day; parking must be in accordance with the applicable PSMC and not block traffic, driveways, etc.

**c. The number of guest stays/contracts is below.**

There is no restriction on the number of days a guest may stay. However, for Vacation Rentals only, no more than thirty two (32) contracts for Vacation Rental use of a property is allowed in any calendar year; and an additional four (4) contracts may occur in July, August and September for a total of thirty six (36). For the first year a Vacation Rental Registration Certificate is in effect this will be prorated.

**12. Is an Owner of a Vacation Rental or Homeshare property required to pay Transient Occupancy Taxes (TOT) to the City of Palm Springs?**

Yes, TOT payments of 11.5% are required to be reported and paid monthly, even if there was no guest activity or payment received in that period. Currently, these cannot be paid or reported on line, and must be timely mailed to the City of Palm Springs. The TOT reporting form is on our website. Please call 760-323-8226 with any questions on completion and submittal of this form.

**13. Do the citations or any suspension issued against a property/Owner transfer to the new Owner of that property when the home is sold?**

The citations do not transfer to a new Owner, and they drop off. If a property is under suspension, the suspension does transfer and the new Owner assumes the time remaining on the suspension before the new Owner may apply for a new Registration Certificate.

**14. Can a new Owner apply for a Registration Certificate prior to close of escrow?**

Yes, the new Owner may submit an application to the VRCD; it must be complete except for the closing documents and the applicable fees must accompany the application. If the sale does not go through, the applicable fees paid will not be reimbursed. If the property has an existing Registration Certificate, the current/selling Owner must complete and submit the Close Out Form to the VRCD. No advertising or operating may occur without a Registration Certificate or permission to do so in writing from the VRCD.

**15. How can a Realtor or potential buyer know if a particular property has a current Registration Certificate or is under suspension?**

Please call the VRCD.

**16. How can I get a list of all of the registered Vacation Rentals/Homeshares in the City?**

Yes, you must complete and submit a Public Records Act request form found on the City Clerk's website.

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